of nearly a crore of rupees which may be required in the near future—Rs. 30 lakhs or more for the Harbour and Rs. 60 lakhs for financing the conversion of our Railway into broad-gauge? I have my own doubts in the matter and I hope that many of my friends on the opposite side will agree with me in thinking that it is safer to go in for a loan only for financing the latter. In these circumstances I do not know how the Government can rightly be blamed for having this surplus at their hands. On the other hand, we are open to a criticism, and rightly too, that we are not building a reserve to the extent of an year's income to be drawn upon on emergencies only as is done in other progressive sister States. The balance at our disposal, as already explained, could not admit of this at present, but, with your hearty co-operation, the Government may be able to build up one with the present amounts in long-term securities, etc., as a nucleus.

Cranganur.

Sir,

I have done with the State Budget, and before I close, a few words about the Cranganur Budget also.

In 1103, according to the revised estimate, we anticipated a receipt of Rs. 1,93,230 and an expenditure of Rs. 1,92,960 thus resulting in a surplus of Rs. 270 only. The actual transactions, however, resulted in a surplus of Rs. 15,782 due to an increase in revenue over the revised estimate by Rs. 4,550 and a decrease in expenditure by Rs. 10,962. The heads that chiefly contributed to the increase in revenue were 'Stamps' and 'Opium' while the heads mainly responsible for the fall in expenditure were 'Agriculture and Panchayats', 'Medical' and 'Public Works'.

For the current year we budgetted for a revenue of Rs. 1,97,840 and an expenditure of Rs. 1,93,080 thus expecting a surplus of Rs. 4,760. Though the revised estimate anticipates an improvement of Rs. 570 in revenue, the expenditure is expected to exceed the budget estimate by Rs. 7,600 thus converting the anticipated surplus of Rs. 4,760 into a deficit of Rs. 2,270. The increase in revenue is too small to call for any remarks. The heads mainly responsible for the increase in expenditure are 'Land Revenue', 'Education', 'Public Works' and 'Miscellaneous.' The increase under 'Land Revenue' is chiefly due to an expenditure of Rs. 1,900 under 'Capital' being the value of certain improvements that had to be paid on some estate properties and that under 'Education' to the opening of additional divisions of classes and the increase of pay to the menials. Under 'Public Works' the increase is due to silt clearing and deepening a public tank and as for 'Miscellaneous' the grant of special allow-

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ance to the low-paid subordinates accounts for the increase thereunder.

The budget estimate of receipts for 1105 is fixed at Rs. 1,99,640 as against the revised estimate of Rs. 1,98,410 the increase anticipated being under 'Interest' based on the actual investments.

The expenditure for the next year is fixed at Rs. 2,03,980 which is in excess of the revised estimate by Rs. 3,300, the heads mainly responsible for the increase being 'Agriculture and Panchayats' and 'Miscellaneous'. The increase under the former is due to the larger provisions made under 'Communications' and 'Water supply' and the increase under 'Miscellaneous' to the lump provision made for the re-organisation of the Departments following that made in the State Budget. According to the budget estimate, the transactions of the year are expected to result in a deficit of Rs. 4,340. The finances of Cranganur have been for the past few years causing great anxiety to the Government. The sources of the revenues of the Principality are inelastic in their nature, and it is with the greatest difficulty that the Government have been keeping the expenditure within the income. In framing the revised estimate for the current year, and the budget for the coming year, it has not been possible to avoid a deficit, much as the Government would have liked to do it, with due regard to the growing demands of the several Departments. However, the revised and budget estimates are only anticipations and it remains to be seen how the actuals work out.

The year 1105 is expected to close with a net asset of Rs. 3,15,357 to the credit of the Principality as against Rs. 3,25,967 according to the actuals of 1103 and Rs. 3,22,697 as per the revised estimate of 1104.

Conclusion.

Sir, I have now given to the House all the secrets of the budget of 1105. It may not be a spectacular budget, but it cannot be denied that it is a budget which again provides for a considerable measure of progress in all directions affecting the welfare of the people—under Agriculture and Panchayats, Co-operation, Education, Medicine, Public Works, Industries, Uplift of the Depressed Classes, etc. Government are not unaware of the immensity of the needs that have yet to be met; they also feel as strongly as the Members on the opposite side the growing intensity of the demands that they should be met; but they are only sorry for the inadequacy of their resources to meet them. It shall be our constant endeavour to advance the true interests of the people with the resources at our disposal, and I feel sure that we can confidently count upon your hearty co-operation and

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